

UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* STUART SERKIN and JOHN MALITZIS

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Appeal 2006-3104  
Application 09/404,518  
Technology Center 3600

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Decided: November 8, 2007

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Before JENNIFER D. BAHR, ANTON W. FETTING, and JOSEPH A.  
FISCHETTI, *Administrative Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellants seek our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1, 3-14, and 16-20. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

*Preliminary Matter*

The Advisory Action mailed October 14, 2003 does not indicate whether the Amendment filed September 22, 2003, subsequent to the Final Rejection, has been entered. On page 3 of the Appeal Brief, Appellants indicate that the claims in the Claims Appendix reflect entry of the Amendment After Final filed September 22, 2003.<sup>1</sup> The Examiner's Answer on page 3 appears to confirm entry of this Amendment by stating: (1) "The appellant's statement of the status of amendments after final rejection contained in the brief is correct," and (2) "[t]he copy of the appealed claims contained in the Appendix to the brief is correct." We thus presume that the Amendment filed September 22, 2003 has been entered.

The Examiner's Answer on page 2, in the "Status of Claims" indicates that "[c]laims 1, 3, 8, 11, 13, 14, 16, 18, [and] 19 were rejected under 35 U.S.C. [§] 112, second paragraph, for lack of antecedent basis." The Examiner, however, does not repeat the rejection under 35 U.S.C. § 112, second paragraph, in the "Grounds of Rejection" section on pages 3 and 4 of the decision. Therefore, we presume the Examiner considers the Amendment filed September 22, 2003 to have overcome the rejection under 35 U.S.C. § 112, second paragraph.<sup>2</sup> We thus treat the rejection under 35 U.S.C. § 112, second paragraph, as having been withdrawn.

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<sup>1</sup> The Amendment After Final Certificate of Mailing date is September 16, 2003, thus Appellants' Brief refers to this Amendment as the September 16, 2003 Amendment.

<sup>2</sup> The rejection made by the Examiner under 35 U.S.C. § 112, second paragraph identified certain claim terms as having insufficient antecedent basis. The Amendment After Final dated September 22, 2003 corrected these instances by changing the definite article preceding each term involved in the rejection to an indefinite article.

Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A method of executing an order in a market system comprises:  
receiving an order from a customer of a market participant; for the order, checking if a market participant identification associated with the order from the customer matches a market participant identification representing a quote in the system which is at a best bid or best offer price in the system; and if the market participant identification matches the market participant identification representing a best bid or offer quote in the system, matching off the customer order against the one of the best bid or best offer quote of the matching market participant identification that is at an opposite side of a market irrespective of any other priority established for matching orders in the system.

The Examiner relies upon the following as evidence of unpatentability:

May	US 6,421,653 B1	Jul. 16, 2002
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In addition to the prior art cited by the Examiner, we also refer to the following additional prior art.

Tilfors	US 6,405,180 B2	Jun. 11, 2002
		(35 U.S.C. § 102(e) Nov. 5, 1998)

*The 35 U.S.C. 102(e) Rejection*

All appealed claims 1, 3-14, and 16-20 stand rejected under 35 U.S.C. § 102(e) as being anticipated by May.

According to the Examiner, May “teaches matching market participants using credit preference data to allow the counterparties to identify which orders meet the eligibility requirements set forth by the system to trade. - see col. 5, lines 64-col. 6, line 2” (Answer 12). Further, the Examiner considers the coded credit preferences in May as the equivalent of “the last name of the individual involved in the trade,” and thus considers May to anticipate the claims (Answer 12, 13).

However, although we find that in May an order is evaluated according to defined credit preferences (May, col. 30, ll. 25-26), we do not consider credit eligibility, which does not uniquely identify a participant, to equate to the identification of a market participant. The Specification on page 2 lines 4-9 describes the purpose of matching-off orders by using market participation identification is to insure that a given market participant may place its book of quotes in the market and be assured that the system, by knowing the identities of the market participants, will find and match off the given market participant’s quotes over others’ if the given participant’s quote is at the best price. In May, the credit eligibility matching results in color coded tradability signals used by market participants to generate matches (May col. 30, ll. 20-67) and occurs regardless of the participant’s identity. Furthermore, all independent claims 1, 11, and 18 require the steps of:

[1] ...checking if a market participant identification associated with the order from the customer *matches* a

market participant identification representing a quote in the system which is at a best bid or best offer price in the system..., [and if so then] ... [2] *matching* off the customer order against the one of the best bid or best offer quote of the matching market participant identification that is at an opposite side of a market irrespective of any other [or different] priority established for matching orders in the system (emphasis added).

We do not find that May matches market participants' identities. *Webster's Collegiate Dictionary* (Tenth Ed., 1996) defines "match", *inter alia*, as "4: to fit together or make suitable for fitting together." In May, the match or fit between parties occurs by checking credit preferences based on credit worthiness (May, col. 29, ll. 21-23, col. 30 ll. 20-43), and not the identification of the party as required by the claims. Since the counterparties each input desired credit preferences into the system (May, col. 30, ll. 40-43) as the metric for matching, and not party identity, matching based on identity does not occur.

The Examiner maintains that the Credit Over-Ride Process, because it enables a user to disclose his /her identity even though initially refused a trade, constitutes matching as required by the claims (Answer 10, 11). However, we disagree because May describes in column 30 lines 53-67 to column 31 lines 1-4, that the Credit Over-Ride Process does not always result in a match for two reasons: (1) the poster may decline the viewer's offer even after the viewer's identity is known (May, col.30, l. 66); and (2) the Credit Over-Ride Process is subordinate to other trades during the over ride process and the ultimate trade may go to another viewer (May, col. 31, ll. 1-4).

Therefore, the 35 U.S.C. § 102(e) rejection of claims 1, 3-14, and 16-20 based on May cannot be sustained. “A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987), *cert. denied*, 484 U.S. 827 (1987).

#### REMAND

1. We remand this application to the Examiner for consideration of Tilfors (U.S. Patent No. 6,405,180 B2; issued Jun. 11, 2002). Tilfors discloses a method of executing an order in a market system (Tilfors, col. 1, ll.14-19). We understand that a market maker may have itself as its client. Thus, in Tilfors, the customer is one in the same with the market participant when the broker/dealer acts on its own behalf as a market maker. Further, for a given order, Tilfors checks the market participant identification associated with the order as being one of a customer, a firm, or another market maker (Tilfors, col. 4, ll. 15-17). Tilfors discloses using different types of trading procedures based on the type of counterpart being matched (Tilfors, col. 4, ll. 18-26) all the while insuring that the quote in the system being used is at a best bid or best offer (Tilfors, col. 4, ll. 37- 45). Although Tilfors discloses in column 5, lines 24 and 25 that when two market makers are counterparts no matching occurs, the embodiment of Figure 3 does appear to provide for a procedure for executing a trade for matching prices between two market makers (Tilfors, col. 5, ll. 55-67, col.6, ll.1-14). As such, we

remand this application to the Examiner to consider whether any of the subject matter of the pending claims would have been obvious to one having ordinary skill in the art at the time of the invention in view of the teachings of Tilfors in combination with other pertinent art of which the Examiner is or becomes aware.

2. We also remand this application to the Examiner for consideration of whether the subject matter of claims 1-20 constitutes unpatentable subject matter under 35 U.S.C. § 101 in light of the recent decisions in, *In re Comiskey*, 499 F.3d 1365 (Fed. Cir. 2007) and *In re Nuijten*, 500 F.3d 1346, 84 USPQ2d 1495 (Fed. Cir. 2007).

With respect to claims 1 and 3-10, these claims recite only a mental process of matching without integrating a machine, or constituting a process of manufacture, or the altering a composition of matter. Thus, the Examiner should consider whether claims 1, 3-10 also should be rejected under 35 U.S.C. § 101 for this reason.

Second, the Examiner should consider whether claims 11-14, 16, and 17 likewise constitute unpatentable subject matter under 35 U.S.C. § 101 because, even though these claims recite a “system” in the preamble, the body of the claims recite only a mental process of matching, as discussed *supra*.

Finally, the Examiner should consider whether claims 18-20 constitute unpatentable subject matter under 35 U.S.C. § 101 because no physical medium is recited in these claims onto which the instructions are captured in tangible form. As such, the Examiner should consider whether a “computer program product” could be read, in its broadest reasonable interpretation, as a signal. If so, then a

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signal, under the holding in *Nuijten*, is a transitory item, and is not considered to be a “process, machine, manufacture or composition of matter”, and therefore cannot be patentable subject matter under 35 U.S.C. § 101.

#### CONCLUSIONS OF LAW

We reverse the rejection of claims 1, 3-14, and 16-20 under 35 U.S.C. § 102(e) as being anticipated by May.

#### DECISION

The decision of the Examiner to reject claims 1, 3-14 and 16-20 is reversed.

The application is remanded to the Examiner pursuant to 37 C.F.R. § 41.50(a)(1) (2006) for consideration of: (1) the disclosure in Tilfors relative to the patentability of claims 1, 3-14 and 16-20; and (2) whether claims 1, 3-14 and 16-20 constitute unpatentable subject matter under 35 U.S.C. § 35 U.S.C. § 101.

REVERSED and REMANDED



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